

## PRICE PROPOSAL

i. **Pricing templates will be required in lieu of Section B:** With respect to pricing, the proposal response is presumed to represent the offeror's best effort to respond to the solicitation. Any inconsistency, whether real or apparent, between promised performance and price, shall be explained in the proposal. For example, if the use of new and innovative techniques has an impact on unit price, their impact on price shall be explained by the offeror. If a business policy decision has been made to absorb a portion of the program costs that have not been included in your proposed pricing, that decision shall be stated and quantified in the proposal. Any significant inconsistency, if not explained, raises a fundamental issue of the offeror's understanding of the nature and scope of the work required, and may be grounds for rejection of the proposal. The burden of proof as to price credibility rests with the offeror.

ii. All prices for this acquisition shall be stated in current U.S. dollars. This shall also include escalation, as appropriate.

iii. At a minimum, the proposal consists of an electronic copy of the filled-out pricing template and a paper copy of the filled-out pricing template (include both the "Pricing" and "Evaluation Calculations" tabs). The electronic copy of the filled-out pricing template should be submitted on a single-write CD ROM to prevent accidental erasure or change of the data therein. The proposal shall contain any additional information considered necessary to explain the proposed pricing.

iv. Instructions for completion of the pricing template:

a. All information to be filled in by the offeror is highlighted on the template in blue.

b. The offeror shall enter its full name in the space provided.

c. The offerors shall provide unit pricing for each quantity scenario (basic, options, etc.) as set forth in the bidding templates.

d. The offeror shall provide unit pricing covering the ranges established by the pricing template for all pricing periods. For each quantity scenario the offeror may propose different unit prices (for example, lower prices for higher quantities, and vice versa) for different quantities, as long as unit prices are proposed for all quantities in the range. The following instructions are provided to assist in filling out the quantities and unit prices:

i. The offeror shall enter the maximum quantity for each range it is offering in the space provided for each of the five pricing periods. The spreadsheet will automatically calculate the range minimum quantity for ranges 2 through 5 (if offered) based on the maximum range quantities for the preceding range. Contractors shall provide a minimum of three (3) ranges and may propose

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up to a maximum of five (5). Proposals offering less than three ranges, or that fail to address all quantities in the range established by the minimum and maximum quantities specified on the pricing template, may be considered non-responsive.

ii. The offeror shall then enter unit prices for each range offered in the space provided. Offerors are reminded that unit prices shall not exceed two decimal places. Offers offering unit prices exceeding two decimal places may be considered non-responsive.

iii. The offeror shall enter the total price, not to exceed two decimal points, for First Article Test for each of the pricing periods in the applicable shaded area on the "Price Evaluation" tab.

iv. If applicable, the offeror shall enter the Government Furnished Equipment (GFE) unit price, not to exceed four decimal points, in the applicable shaded area on the "Price Evaluation" tab. This applies only to use of equipment already in the possession of contractors, as there is no GFE being supplied under this RFP. Costs for GFE in possession of the contractor will be evaluated (see the provision entitled "Evaluation procedures for use of government owned production and research property," located in section M).

e. No other information is to be added to the pricing template, nor shall offerors make any changes to the template.

f. In the event of a discrepancy in unit prices between the electronic copy of the pricing template, and its paper copy, the prices contained in the electronic pricing template shall prevail.

### **Price Analysis**

i. Price analysis shall be used to determine (A) price reasonableness; and (B) whether the proposal reflects an understanding of the effort required. Additional analysis techniques may be used as determined necessary by the procuring contracting officer. These methods of evaluation may include the use of information/input from sources such as (but not necessarily limited to) other Government agencies and personnel. As part of the evaluation, proposals shall be reviewed to identify any significant unbalanced pricing. In accordance with FAR 15.404-1(g), i.e., Unbalanced Pricing, a proposal may be rejected if the contracting officer determines the lack of balance poses an unacceptable risk to the Government.

ii. The total evaluated price will be derived from the offeror's unit prices as inserted into the pricing template. The total evaluated price is identified as "Total Evaluated Price" at the bottom of the "Pricing" tab of the template. This price represents an average value that takes into consideration the unit prices offered for various quantities for all of the pricing periods. This price is based upon calculations performed on the five pricing

periods using the offered prices applicable to various selected quantities. The following is provided to assist offerors in understanding how the "Total Evaluated Price" is calculated:

- a. The pricing template tab labeled "Evaluation Calculations" contains a table for the five pricing periods on the solicitation. The unit prices offered for each range as shown in the "Pricing" tab are shown in the upper part of the table for each pricing period.
- b. The table contains a series of evaluation points as shown on the left side of the table. For each quantity, the program will determine the applicable unit price, and then multiply that quantity by the unit price to develop the total dollars.
- c. The program then determines the average of the individual quantities and total dollars associated with each quantity. These values are shown at the bottom of each table. This average is based on the assumption that there is an equal probability of an award at any of the evaluation points.
- d. The average quantity and total dollars for each pricing period are then transferred to the "Pricing" tab of the template to the "Yearly Evaluated Price (All Ranges)" section. The program then determines the applicable unit price by dividing the total price by the quantity.
- e. The program then determines the "Total Evaluated Price" by summing the "Total Price" for all the pricing periods, plus the total price for First Article Test, transportation and GFE. The total evaluated price will be the value used for the purpose of selecting the apparently successful offeror from a pricing standpoint.